HON'BLE SHRI G.S. SINGHVI, THE CHIEF JUSTICE

WRIT PETITION NO. 16334 OF 1996

BETWEEN

M/s Margadarsi Chit Fund Limited
rep. by its Managing Director, Hyderabad.

.....**Petitioner**

And

State of Andhra Pradesh
rep. by its Secretary, Revenue Department,
Hyderabad & another

.....**Respondents**

:: O R D E R::

Counsel for Petitioner : Shri P. Raja Rao

Counsel for Respondents : Government Pleader for Revenue

Dated: 08.06.2006

The petitioner is a company engaged in the business of chit fund in the State of Andhra Pradesh. It has prayed for suspending the operation of Circular dated 16.12.1995 issued by Director of Chits and Commissioner-cum-Inspector General of Registration

and Stamps, Andhra Pradesh (respondent No.2) requiring it and other similarly situated persons to deposit National Savings Certificates as security.

In the last paragraph of the counter affidavit dated 23.01.1998 filed by Shri K. Yadgirachary, Assistant Inspector General (Law) in the office of respondent No.2, it has been averred that the Chit Registrars are not insisting on production of National Savings Certificates towards security and the petitioner can furnish security in the shape of National Savings Certificates as a preferable method out of the three methods, including F.D.Rs. as contemplated by Section 12 of the Andhra Pradesh Chit Funds Act, 1971.

In view of the averments contained in the counter affidavit, it is clear that the respondents are not insisting on compliance of the circular impugned in the writ petition. Consequently, the writ petition is disposed of as infructuous. Needless to say that if the respondents take any action adversely affecting the business of the petitioner, then it shall be free to file fresh petition or avail other appropriate legal remedy against such action.

G.S.SINGHVI, CJ

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08.06.2006